

December 5, 1940

RACIAL ASPECTS OF RURAL REHABILITATION FAMILY ACCEPTANCE

A white low-income farm family has had about two chances to one over a colored low-income farm family of obtaining a standard rural rehabilitation loan. Only 46,400, or 11 percent, of the 409,000 colored low-income farm families in the four southern Regions (Regions IV, V, VI, and VIII) were active standard borrowers in December 1939; while approximately 154,400, or 22 percent, of the 693,000 white low-income farm families were active standard borrowers. This record of discrimination against colored low-income families has been revealed by an analysis of data from the County Supervisors' 1939 Report of the Rehabilitation Progress of Standard Borrowers and of data from the national-wide study of consumer incomes by the National Resources Planning Committee, the Bureau of Home Economics, and the Bureau of Labor Statistics. These data are shown in Table I, which also indicates the degree of racial discrimination in each of the Southern States and Regions.

Table I. Comparison of the Number of White and Colored Low-Income Farm Families 1/ with the Number of White and Colored Active Standard RR Borrowers in the Southern States 2/, by State and Region, 1939

A	:	B	:	C	:	D	:	E	:	F	:	G
Region and state	:	Low-income families	:	Colored families	:	White families	:	Colored families	:	White families	:	Active standard RR borrowers as percentage of low-income families
	:	Number	:	Number	:	Number	:	Number	:	Percent	:	Percent
The four southern Regions	:	409,000	:	693,000	:	46,368	:	154,381	:	11	:	22
Region IV	:	68,000	:	267,000	:	5,595	:	37,314	:	8	:	14
Kentucky	:	3,000	:	80,000	:	224	:	9,390	:	7	:	12
North Carolina	:	32,000	:	54,000	:	3,280	:	8,397	:	10	:	16
Tennessee	:	14,000	:	65,000	:	376	:	6,398	:	3	:	10
Virginia	:	19,000	:	40,000	:	1,672	:	6,248	:	9	:	16
West Virginia	:	3/	:	28,000	:	43	:	6,881	:	-	:	25
Region V	:	131,000	:	158,000	:	21,928	:	45,997	:	17	:	29
Alabama	:	49,000	:	60,000	:	8,673	:	14,508	:	18	:	24
Florida	:	6,000	:	15,000	:	2,237	:	9,444	:	37	:	63
Georgia	:	38,000	:	58,000	:	5,412	:	16,358	:	14	:	28
South Carolina	:	38,000	:	25,000	:	5,606	:	5,687	:	15	:	23

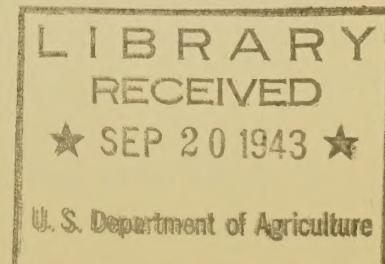


Table I. (Continued)

A	:	B	:	C	:	D	:	E	:	F	:	G
Region and state	:	Low-income families	:	Active standard RR borrowers as percentage of low- income families		Active standard RR borrowers	:			Colored: White		
	:	Colored : White	:	Colored : White		Colored : White	:	Colored: White				
	:	Number	:	Number	:	Number	:	Number	:	Percent	:	Percent
	:	:	:	:		:	:	:		:		
Region VI	:	162,000	:	110,000	:	13,103	:	34,248	:	8	:	31
Arkansas	:	36,000	:	56,000	:	2,609	:	15,181	:	7	:	27
Louisiana	:	36,000	:	27,000	:	4,856	:	7,325	:	13	:	27
Mississippi	:	90,000	:	27,000	:	5,638	:	11,742	:	6	:	43
	:	:	:	:		:	:	:		:		
Region VIII	:	48,000	:	158,000	:	5,742	:	36,822	:	12	:	23
Oklahoma	:	12,000	:	32,000	:	938	:	16,606	:	8	:	52
Texas	:	36,000	:	126,000	:	4,804	:	20,216	:	13	:	16

1/ Estimated from data in Study of Consumer Purchases released by Bureau of Home Economics, U. S. D. A. based on 1935-36 survey; the 1930 and 1935 Census of Agriculture; and Volume I "Census of Employment" of Workers on Relief, 1935-36.

2/ Calculated from County Supervisors' 1939 Report of the Family Progress of Standard Rehabilitation Borrowers.

3/ Less than 500 families.

Discrimination against colored low-income farm families has been more pronounced in Region VI than in any other Region. A white low-income farm family in that Region has had almost four chances to one for a colored low-income family of receiving an RR loan. In the state of Mississippi, the odds have been more than 7 to 1 against the colored families, in Oklahoma the odds have been $6\frac{1}{2}$ to 1; in Arkansas almost 4 to 1, and in Tennessee 3 to 1. (Table I). Only in Texas does the record show anything nearly approaching racial equality in family acceptance, and as will be pointed out later, the trend in Texas is against the acceptance of colored families.

In Region VI as a whole, 31 percent of the white low-income farm families were active standard RR borrowers while only 8 percent of the colored families were active borrowers. Only 6 percent of the colored low-income families in Mississippi were active borrowers; 43 percent of the white low-income farm families in that state were active standard borrowers. (Columns F and G, Table I). The simple fact of this record is that colored and white farm families have not shared in the rural rehabilitation program according to need.

Another way of determining the degree of racial discrimination is to compare the proportion of colored families in the RR case load with the proportion of colored families in the low-income farm population. Only 23 percent of the active standard RR borrowers are colored while 37 percent of all low-income farm families are colored. (Table II) By this measure, as with the one previously used, the figures

and the second stage of war, which was to begin in the year 1863, and
to last until 1865. The Civil War, however, was not a war of aggression,
but a war of self-defense. It was a struggle for the right of a people to govern
themselves, and it was fought to maintain the principles of freedom and
justice, and to defend the rights of the individual against the power of the
state. It was a war of independence, and it was fought to secure the
right of all men to live free from oppression and discrimination.

Conclusion

The American Civil War was a conflict between the North and the South.
The North, which was composed of the states of New England, New York,
New Jersey, Pennsylvania, Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota,
Missouri, Iowa, Kansas, Nebraska, and the state of California, was
led by Abraham Lincoln, who was elected as the president of the United States
in 1860. The South, which was composed of the states of Virginia, North Carolina,
South Carolina, Georgia, Florida, Mississippi, Louisiana, Alabama, Tennessee,
Arkansas, Missouri, and Texas, was led by Jefferson Davis, who was elected
as the president of the Confederate States of America in 1861.

The American Civil War was fought for the right of all men to live
free from oppression and discrimination. It was fought to defend the principles
of freedom and justice, and it was fought to maintain the rights of the
individual against the power of the state. It was a war of independence,
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indicate that discrimination against colored families has been more pronounced in Region VI, than in the other Regions.

Table II. Proportion of Colored Active Standard Rural Rehabilitation Borrowers in Total Number of Such Borrowers, 1939 1/, Compared with the Proportion of Colored Low-income Farm Families in the Total Number of Such Families, 1935, Maryland, Missouri, and Regions IV, V, VI and VIII, by States 2/.

A	:	B	:	C	:	D	:	E	:	F	:	G
Region and state	:	All families	:	Colored families	:	Proportion who were colored						
	:	Active	:	Low-	:	Active	:	Low-	:	Active	:	Low-
	:	standard	:	income	:	standard	:	income	:	standard	:	income
	:	borrowers	:		:	borrowers	:		:	borrowers	:	
	:	Number	:	Number	:	Number	:	Number	:	Percent	:	Percent
The four Southern Regions	:	200,749	:	1,102,000	:	46,368	:	409,000	:	23	:	37
Region IV	:	42,909	:	325,000	:	5,595	:	68,000	:	13	:	20
Ky.	:	9,614	:	83,000	:	224	:	3,000	:	2	:	4
N. C.	:	11,677	:	86,000	:	3,280	:	32,000	:	28	:	37
Tenn.	:	6,774	:	79,000	:	376	:	14,000	:	6	:	18
Va.	:	7,920	:	59,000	:	1,672	:	19,000	:	21	:	32
W. Va.	:	6,924	:	28,000	:	43	:	4/	:	1	:	1
Region V	:	67,925	:	289,000	:	21,928	:	131,000	:	32	:	45
Ala.	:	23,181	:	109,000	:	8,673	:	49,000	:	37	:	45
Fla.	:	11,681	:	21,000	:	2,237	:	6,000	:	19	:	29
Ga.	:	21,770	:	96,000	:	5,412	:	38,000	:	25	:	40
S. C.	:	11,293	:	63,000	:	5,606	:	38,000	:	50	:	60
Region VI	:	47,351	:	272,000	:	13,103	:	162,000	:	28	:	59
Ark.	:	17,790	:	92,000	:	2,609	:	36,000	:	15	:	39
La.	:	12,181	:	63,000	:	4,856	:	36,000	:	40	:	57
Miss.	:	17,380	:	117,000	:	5,638	:	90,000	:	32	:	77
Region VIII	:	42,564	:	206,000	:	5,742	:	48,000	:	13	:	23
Okla.	:	17,544	:	44,000	:	938	:	12,000	:	5	:	27
Tex.	:	25,020	:	162,000	:	4,804	:	36,000	:	19	:	22

1/ Reported by FSA County Supervisors in connection with their 1939 Report of Family Progress of Standard Rehabilitation Borrowers.

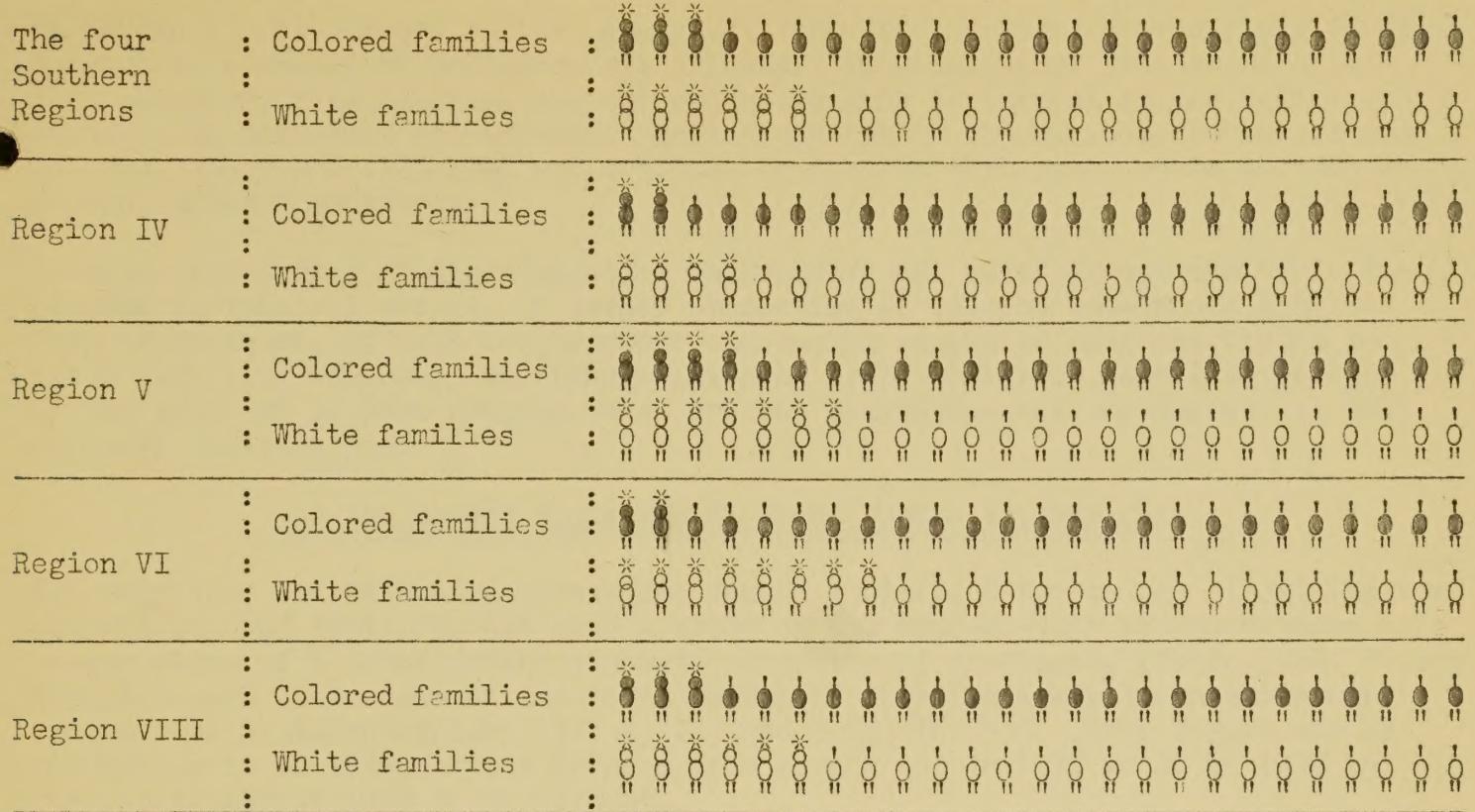
2/ Estimated from data in the Study of Consumer Purchases released by Bureau of Home Economics, U.S.D.A., based on 1935-36 surveys, in the 1935 Census of Agriculture, and in the Volume I "Census of Employment" of Workers on Relief, 1935-36.

3/ Program Analysis Report Number 2.

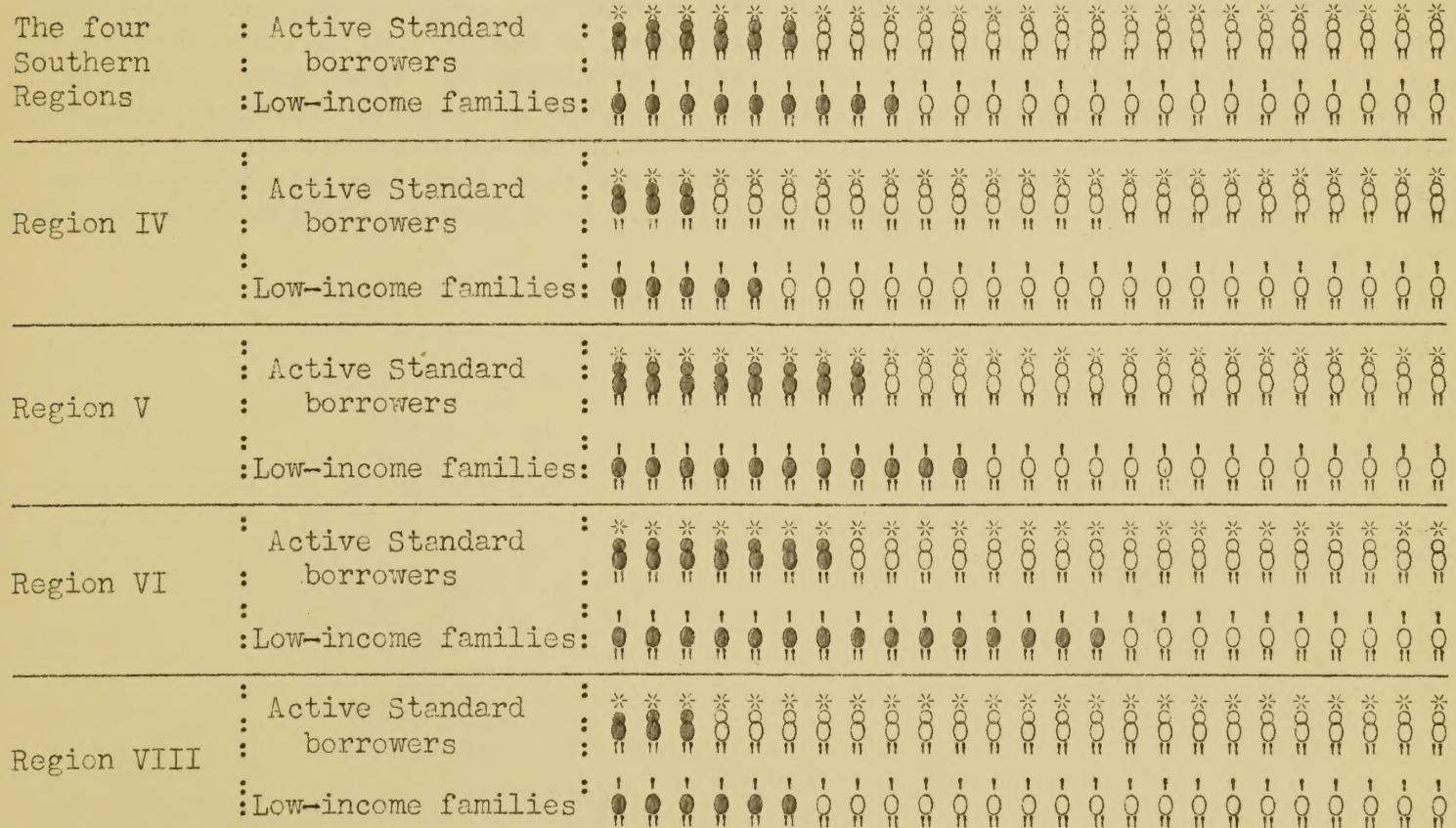
4/ Less than 500 families.

CHART A

THE ODDS IN RR FAMILY ACCEPTANCE ARE TWO-TO-ONE AGAINST COLORED LOW-INCOME FAMILIES



DISCRIMINATION AGAINST COLORED FAMILIES IS A MARKED CHARACTERISTIC
OF THE REHABILITATION FAMILY ACCEPTANCE RECORD



Each figure represents 4 percent of the total number of families.

White low-income farm family

Colored low-income farm family

White active standard borrower

Colored active standard borrower

In Region VI, 59 percent of the low-income farm families are colored; only 28 of the active standard RR borrowers are colored. In Mississippi 77 percent of all the low-income farm families are colored while only 32 percent of the active standard RR borrowers are colored. Only 5 percent of the Oklahoma borrowers are colored, whereas a case load proportional to need in that state would include 27 percent colored borrowers.

Actually the degree of discrimination is probably not quite as serious as is indicated in Tables I and II. A larger proportion of colored low-income families than of white are of such low economic and social status or they are living in areas with land ownership and tenure patterns such, that they cannot be reached by the standard RR loan program under present limitations of appropriations and official instructions.

And the Record Indicates No Trend Toward Improvement

Not only does the RR family acceptance record indicate a two to one discrimination against colored families, but also a study of the year-to-year record reveals only meager signs of a trend toward a greater equality of treatment. (Table III). Colored families were 23 percent of the total number of families accepted on the program in the four Southern Regions (IV, V, VI, and VIII) in 1935. This figure was 23 percent again in 1939, having dropped from 25 percent in 1936 to 20 in 1937 and risen slightly in 1938 to 21 percent.

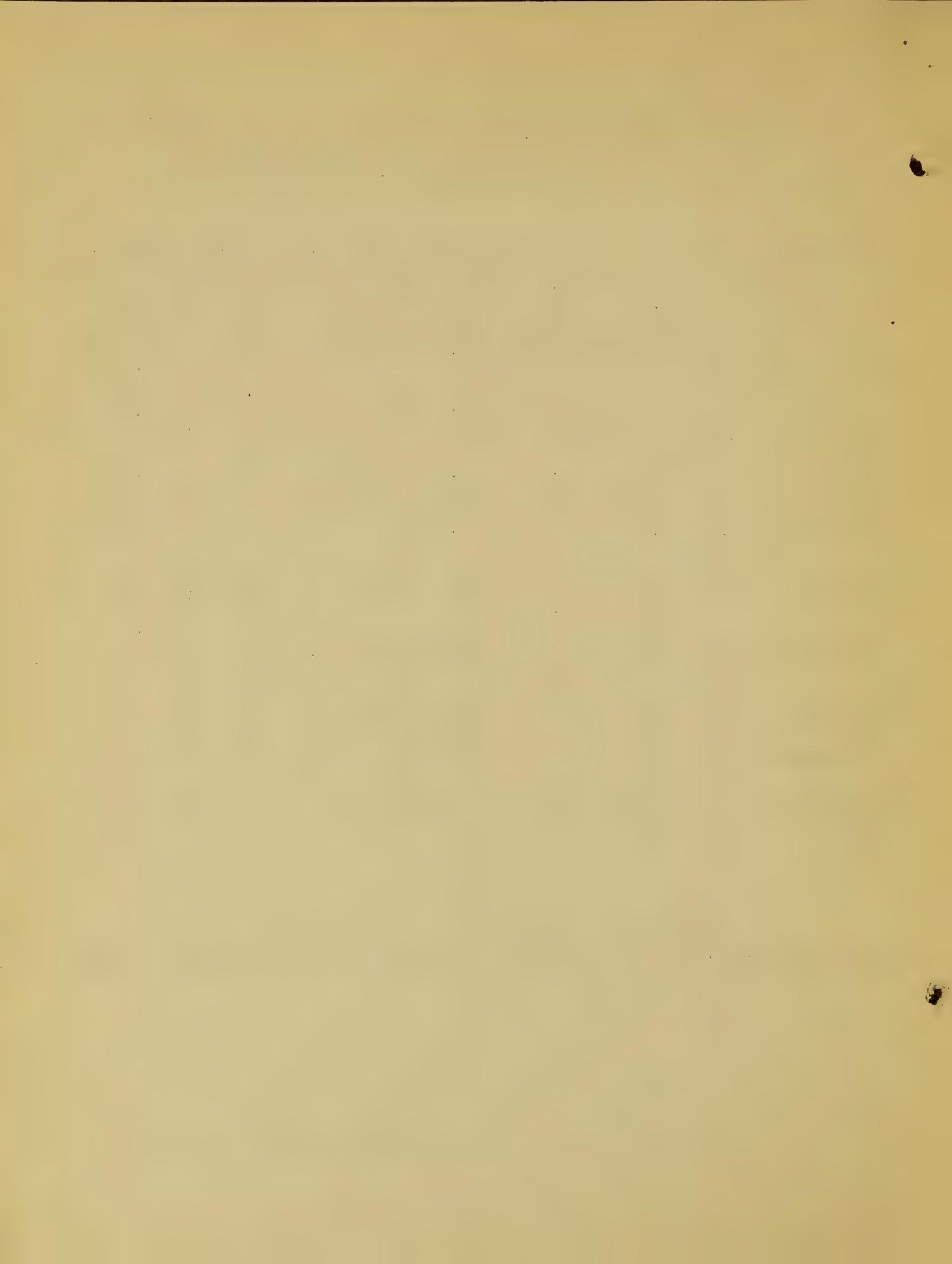
Region VIII appears to be rapidly approaching a condition where a colored family will be unable to obtain a rehabilitation loan. In Oklahoma this condition was just about reached in 1939. In Regions IV, and VI the three-year trend toward greater discrimination against colored families was reversed in 1939. Region V has shown a very small but persistent increase in the proportion of colored families accepted on the RR program. (Table III) Actually what these figures indicate is there is virtually no trend toward eliminating the discrimination against the acceptance of colored families for the RR program; whereas, in Region VIII, the trend is markedly toward more discrimination against colored families.

Table III. Number of Colored Farm Families Accepted as Standard Rural Rehabilitation Borrowers as Percentage of All Farm Families Accepted as Standard Borrowers, by Years for Specified Regions and States, 1935 - 1939

A	:	B	:	C	:	D	:	E	:	F	:	G
Region or state	:	All years	:	Year of acceptance								
	:		:	1935	:	1936	:	1937	:	1938	:	1939
The four Southern Regions	:	Percent	:	Percent	:	Percent	:	Percent	:	Percent	:	Percent
	:	23	:	23	:	25	:	20	:	21	:	23
Region IV	:	14	:	17	:	16	:	13	:	11	:	13
Kentucky	:	3	:	4	:	3	:	4	:	3	:	1
North Carolina	:	29	:	43	:	32	:	26	:	25	:	24
Tennessee	:	7	:	6	:	10	:	4	:	6	:	7
Virginia	:	25	:	34	:	27	:	22	:	18	:	19
West Virginia	:	1	:	1	:	1	:	1	:	1	:	1
Region V	:	32	:	29	:	38	:	31	:	31	:	32
Alabama	:	37	:	40	:	42	:	38	:	33	:	34
Florida	:	17	:	18	:	23	:	13	:	11	:	13
Georgia	:	24	:	19	:	27	:	25	:	22	:	29
South Carolina	:	50	:	43	:	51	:	48	:	56	:	55
Region VI	:	27	:	19	:	34	:	27	:	26	:	28
Arkansas	:	14	:	11	:	14	:	10	:	14	:	16
Louisiana	:	39	:	36	:	48	:	39	:	29	:	35
Mississippi	:	31	:	23	:	30	:	37	:	37	:	35
Region VIII	:	14	:	16	:	21	:	12	:	12	:	6
Oklahoma	:	7	:	10	:	8	:	5	:	8	:	2
Texas	:	20	:	22	:	27	:	21	:	16	:	9

Economic and Social Status of Borrowers by Race

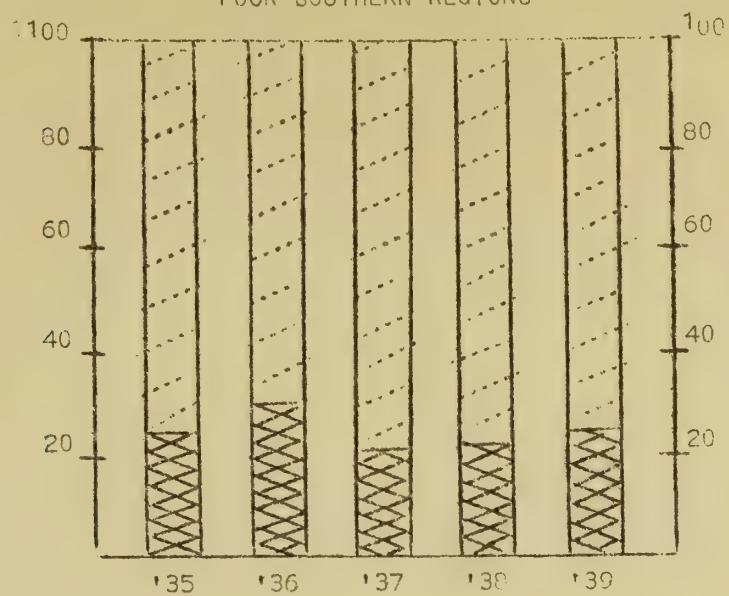
Colored farm families accepted on the RR program have consistently been of a lower economic status than the white families. (Table IV).



7 CHART B

PERSISTENT DISCRIMINATION AGAINST COLORED FAMILIES CONTINUES IN
RR FAMILY ACCEPTANCE

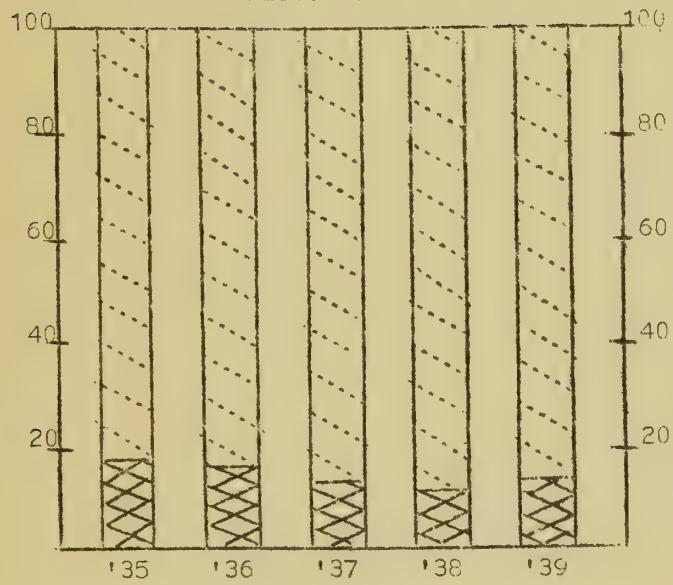
FOUR SOUTHERN REGIONS



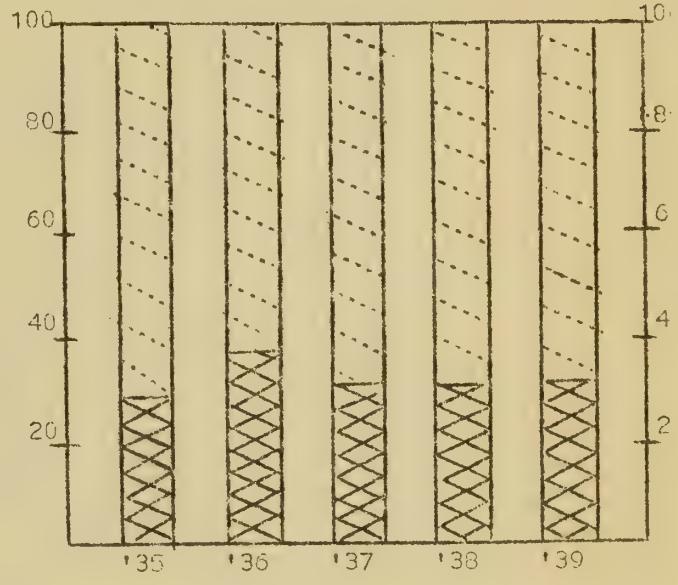
LEGEND

ENTIRE BAR EQUALS 100%.
CROSS-HATCHED PORTION
EQUALS COLORED BORROWERS.
DOTTED PORTION EQUALS
WHITE BORROWERS.

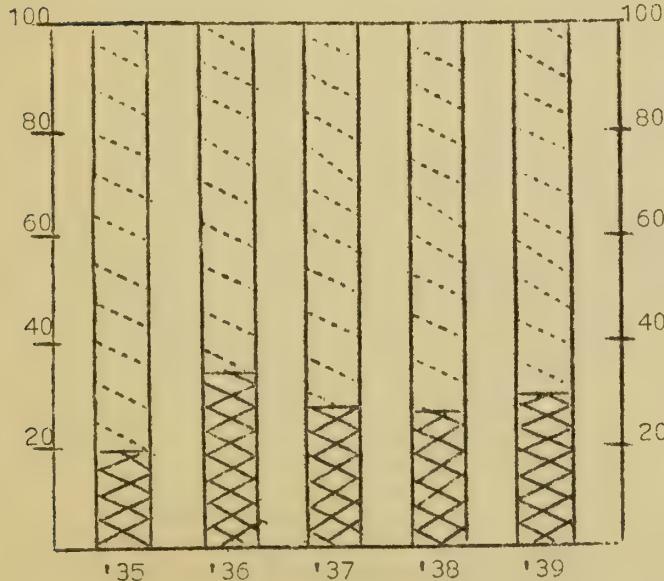
REGION IV



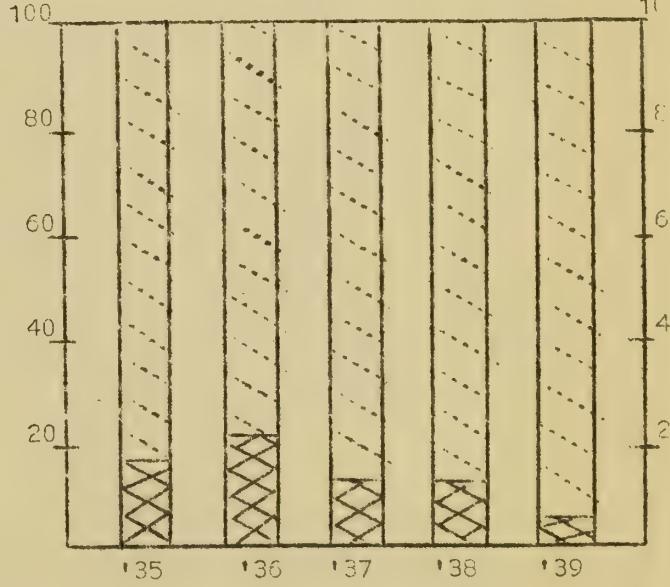
REGION V



REGION VI



REGION VIII



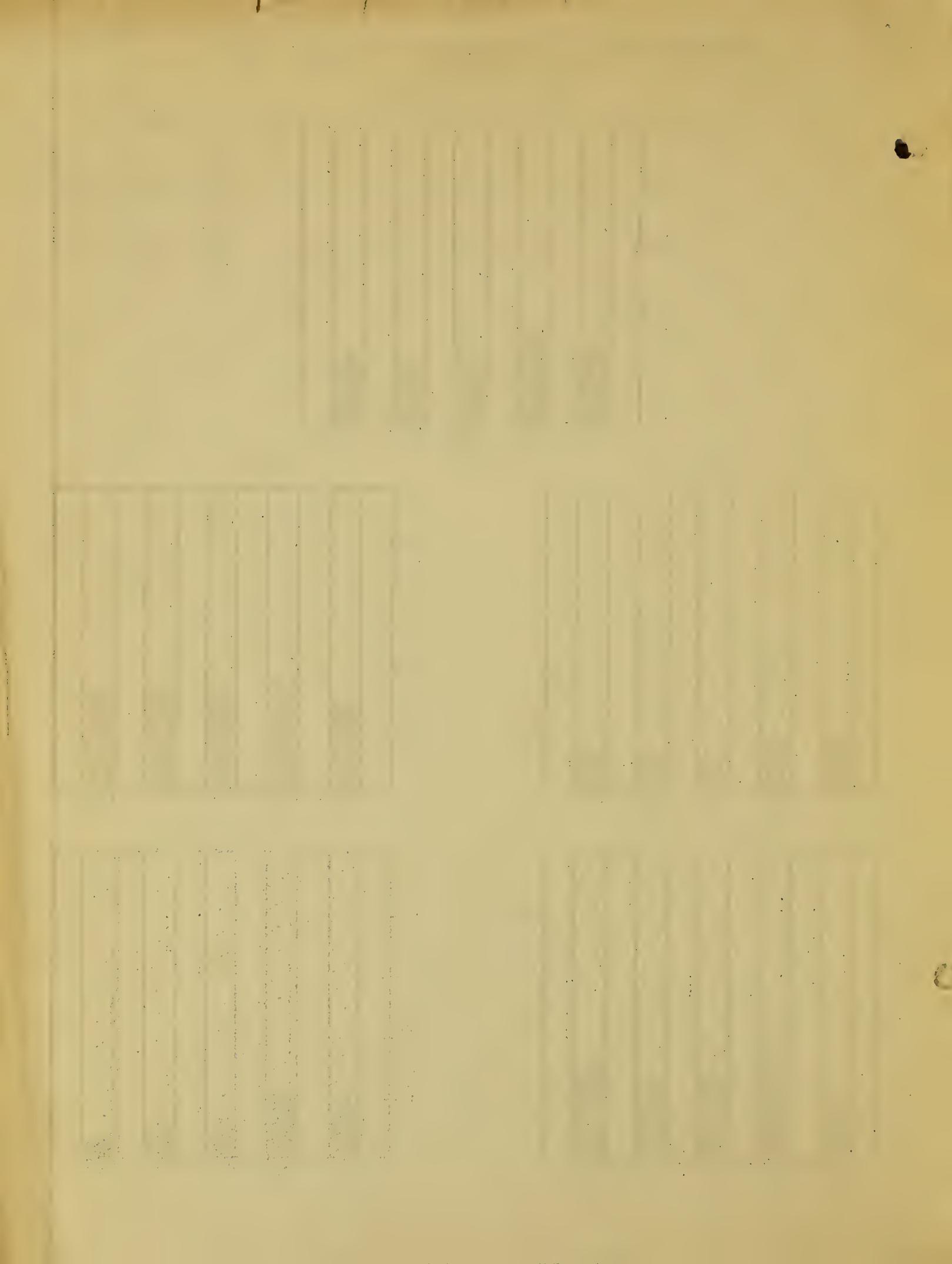


Table IV. Average Annual Net Income Year Before Acceptance on Program and Average Net Worth Before Acceptance of White and Colored Active Standard Rural Rehabilitation Borrowers, in the South, by State and Region 1/

A	B	C	D	E	F	G
Region and state	Average net income, year before acceptance			Average net worth, year before acceptance		
	All borrowers	Race of borrower	All borrowers	Race of borrower	White	Colored
	:\$:\$:\$:\$:\$:\$
The four Southern Regions	297	323	207	693	776	413
Region IV	479	497	366	1,144	1,229	636
Ky.	533	534	505	1,340	1,347	1,118
N. C.	583	521	392	779	857	590
Tenn.	388	396	277	1,015	1,041	678
Va.	384	406	316	1,023	1,157	612
W. Va.	581	581	568	1,726	1,725	1,875
Region V	174	194	130	480	551	327
Ala.	156	177	120	373	448	248
Fla.	269	285	189	996	1,053	715
Ga.	158	165	136	348	369	283
S. C.	148	176	120	441	523	358
Region VI	270	278	250	388	399	358
Ark.	257	264	215	330	338	279
La.	287	308	254	486	535	409
Miss.	272	277	262	377	390	349
Region VIII	273	289	178	753	790	534
Okla.	296	303	207	577	587	443
Tex.	256	277	171	885	969	557

1/ Calculated from FSA County Supervisors' 1939 Report of the Family Progress of Standard Rural Rehabilitation Borrowers.

In the four Southern Regions white borrowers had an average before acceptance net income of \$323, and a beginning net worth of \$776; comparable figures for colored borrowers were net income, \$207 and net worth, \$413. In every state and region of the South white borrowers had higher before acceptance net incomes than did colored borrowers. This generalization is also true of beginning net worth.

Differences in beginning net worths and before acceptance of net income of standard borrowers is much more marked as between regions than as between races within each region. Colored borrowers in Region IV for example, were selected from higher economic levels than were the white borrowers of Regions, V, VI, and VIII.

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2000 ft above sea level and 1000 ft below sea level.

APPENDIX A -

Table 1. Number and Proportion of White and Colored Active Standard Rural Rehabilitation Borrowers, by Race, by Region, and by State in Southern Regions, 1939 1/

A	B	C	D	E	F
	Total	Race of borrower			
Region	number	White		Colored	
or state	of families	Families	Proportion of total	Families	Proportion of total
	reported	:	:	:	:
	<u>Number</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
United States	361,192	312,546	87	48,646	13
I	11,739	11,580	99	159	1
II	22,876	22,829	99	47	1
III	57,370	56,935	99	435	1
Reg. IV	42,909	37,314	87	5,595	13
Ky.	9,614	9,390	98	224	2
N. C.	11,677	8,397	72	3,280	28
Tenn.	6,774	6,398	94	376	6
Va.	7,920	6,248	79	1,672	21
W. Va.	6,924	6,881	99	43	1
Reg. V	67,925	45,997	68	21,928	32
Ala.	23,181	14,508	63	8,673	37
Fla.	11,681	9,444	81	2,237	19
Ga.	21,770	16,358	75	5,412	25
S. C.	11,293	5,687	50	5,606	50
Reg. VI	47,351	34,248	72	13,103	28
Ark.	17,790	15,181	85	2,609	15
La.	12,181	7,325	60	4,856	40
Miss.	17,380	11,742	68	5,638	32
VII	28,539	28,332	99	207	1
Reg. VIII	42,564	36,822	87	5,742	13
Oklahoma	17,544	16,606	95	938	5
Texas	25,020	20,216	81	4,804	19
IX	9,392	9,273	99	119	1
X	8,460	8,349	99	111	1
XI	11,192	11,145	99	47	1
XII	10,875	9,722	89	1,153	11

1/ As reported by FSA County Supervisors in connection with their 1939 Report of the Rehabilitation Progress of Standard Borrowers.

